REMARKS

This paper responds to the Office Action mailed January 17, 2006. Claims 1-7 are pending in the present application.

In the Office Action, Claims 2-3 and 5-7 were rejected under 35 U.S.C. §101 as being directed to non-statutory subject matter. Further, Claims 1-3 were rejected under 35 U.S.C. §102(e) as being anticipated by Madoff et al. (U.S. Patent Application Publication 2001/0044767). Claims 4-5 and 7 were rejected under 35 U.S.C. §102(a) as being anticipated by an article titled *Streamer Free Real-Time Stock Quote Service Registers 12,000 Users*, referring to a streaming stock quote service made available by Datek Online (referred to herein as "Streamer"). Lastly, Claim 6 was rejected as being unpatentable over Streamer.

Having carefully reviewed the cited art and the comments provided in the Office Action, as well as the prior prosecution in this application, applicant respectfully submits that the claim rejections are in error and should be withdrawn. Pursuant to 37 C.F.R. §1.111(a), applicant requests reconsideration and allowance of the claims.

Withdrawal of Rejections Under 35 U.S.C. §101 is Proper

Claim 1 recites a method of facilitating trading that includes "satisfying a condition at a market by a market participant" and "automatically, at the market participant's computer, receiving a new contra-side best market price in advance of other market participants while the condition at the market is satisfied." Claim 1 recites statutory subject matter, as implicitly acknowledged in the Office Action.

Claim 2 depends on Claim 1 and thus incorporates the statutory subject matter of Claim 1. Claim 2 further defines the elements of Claim 1 by stating that "the satisfying and receiving are performed by a trading process." It is incongruous for the Patent Office to first state that the "satisfying" and "receiving" elements of Claim 1 present statutory subject matter,

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and then in Claim 2, where the very same elements are further defined, the claim elements somehow become non-statutory subject matter. Rather, the features recited in Claim 2 are performed at or via a computer, as they are in Claim 1. Claim 2 thus recites statutory subject matter. The rejection under Section 101 should be withdrawn.

Similarly, Claim 3 is dependent on Claim 1 and thus incorporates the statutory subject matter of Claim 1. By further defining the statutory subject matter of Claim 1, Claim 3 also presents statutory subject matter.

Claim 4 recites a method of facilitating trading that includes "automatically, via a computer, notifying a selected party of a new contra-side best market price, wherein the selected party is a market participant participating in a market with other market participants" and "automatically, via the computer, notifying the other market participants of the new contra-side best market price after a predetermined time from when the selected party was notified of the new contra-side best market price." As with Claim 1, the Office Action implicitly acknowledges that Claim 4 presents statutory subject matter under Section 101. The rejection of dependent Claims 5-7 as being non-statutory subject matter is in error.

By incorporating all of the elements of Claim 4, Claims 5-7 recite the functionality of Claim 4 which indicates that the elements are performed via a computer. To further ensure this point in the claims that add elements to Claim 4, as in Claims 6 and 7, the aspect "via a computer" has been added.

In view of the foregoing, applicant requests reconsideration and withdrawal of the rejection of Claims 2-3 and 5-7 under 35 U.S.C. §101.

Claims 1-3 Are Patentable Over Madoff

The Office Action asserts that the elements of Claims 1-3 are all anticipated by Madoff. Applicant has carefully considered the disclosure of Madoff and disagrees. In support of the

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rejection of Claim 3, the Office Action cites column 6, paragraphs [0055]-[0057] and [0062] which are repeated as follows (with emphasis added):

> [0055] Referring now to FIGS. 10A-10B, a server process 100 that may be executed on the auction system 20 is shown. The server process 100 receives an order 101 entered by the order side 12 of the system 10, via the order entry format 101 (FIG. 10A). *The process 100 exposes 104 the order to the crowd, i.e., potential responders 14, via an electronic broadcast over the network systems mentioned above. The system 10 displays the size of the order and the order remains displayed for the life span of the order or until an execution ends the auction.* The process 100 compares 106 the order to any existing pre-defined relative indications, contra-side orders or responses (if responses are chosen to have a lifetime as discussed below) that exist in the system 10 at order receipt.
>
> [0056] If there are pre-defined relative indications or contra-side orders or responses (if responses have a lifetime) in the system 10, *the process 100 will attempt to match 108 those existing pre-defined relative indications or contra-side orders or responses to the order.* For predefined relative indications, the match process 108 will examine the pre-defined relative indication that exists, at the best price and which is the oldest at that best price, and will determine whether that pre-defined relative indication matches any conditions that may exist with the order. The same criteria could be applied to existing contra-side orders or responses. *If there is a match, the order will be executed 110 with that pre-defined relative indication.*

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[0057] If there is not a match, the process can iterate through a queue of pre-defined relative indications, contra-side orders and responses to determine the next oldest pre-defined relative indications, contra-side orders and responses at that best price to determine a match. The match process 108 attempts to find the pre-defined relative indications, contra-side orders and responses with the best price improvement or best price, as appropriate, and that is the oldest in the auction system 20 at that price improvement and which satisfies all conditions of the order and validating constraints that may apply. For example, if a price is specified outside of the NBBO [National Best Bid/Offer] it may be matched by the system 20 but will not pass validation. The system 20 can adjust the price so that it falls at the NBBO at the time of the execution.

...

[0062] An alternative arrangement to that shown above could have the process 20 allow responses to have a lifespan coextensive with the lifespan of the auction process. If the system 20 allows responses to have a lifespan, but if there are no other orders, the process 100 will expire (not shown) all remaining responses in the system 20.

Inspection of these paragraphs of Madoff, and indeed the entire Madoff reference, relative to the pending claims shows that Madoff does not teach or suggest the elements recited in the claims. In one aspect, the disclosure of Madoff pertains to an order matching process operative at a central location, not "at the market participant's computer" as claimed in Claim 1.

Furthermore, Madoff does not teach or suggest that its order matching process notifies any particular market participant when a new contra-side best market price is received "in

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advance of the other market participants" as claimed in Claim 1. Instead, Madoff's process simply tries to match newly received orders with other orders in a conventional fashion. See, for example, paragraph 55, lines 5-7 (quoted above) in which Madoff states "the process 100 exposes 104 the order to the crowd, i.e., potential responders 14, via an electronic broadcast over the network systems mentioned above." All orders are exposed to all participants at the same time, as is done in conventional market systems. Order matching, as described by Madoff, is different than providing market data, as set forth in Claim 1.

In contrast, Claim 1 pertains to a trading process in which a market participant gets a "first look" at market data, namely a new contra-side best market price, before the other market participants receive the data. To get this benefit, the market participant must satisfy a condition. Such a condition may be, for example, that the market participant has provided the best market price for his or her side. The first look feature is an incentive to traders to satisfy the condition, i.e., to be the owner of an order with the best market price for a side, in order to receive advance notification of a new contra-side best market price.

Conventional systems are not configured to provide services based on the identity of the owner of an order; rather, conventional systems are directed to uniformly treat all interactions between market participants and expose new orders to all participants at the same time. Such conventional systems would have to be fundamentally revised in accordance with the present invention to operate in the manner claimed in Claim 1. Additional description and support for the subject matter recited in Claim 1 may be found in Figure 76, and at page 32, line 27 to page 33, line 8, and further at page 90, lines 19-27 of the present application.

Should the Patent Office continue to maintain the rejection of Claim 1 based on Madoff, it will be necessary that the Office point out with particularity which features of Madoff constitute (1) notification of a new contra-side best market price to a market participant in

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advance of the other market participants; (2) the claimed condition that a market participant must satisfy in order to receive the new contra-side best market price in advance of the other market participants; (3) that the new contra-side best market price is automatically received at the market participant's computer in advance of the other market participant while the condition at the market is satisfied. The Office Action provided little to no guidance and rejected the claims by merely restating the claim language and directing the applicant, only generally, to paragraphs [0055]-[0057] and [0062] which were repeated above.

The Office Action (page 5) asserts "[i]t is inherently clear that the teachings of Madoff illustrates participant's can receive a new contra-side best market price in advance of other market participants while the condition at the market is satisfied," but applicant respectfully disagrees. Madoff teaches no such thing. Absent a *prima facie* showing of anticipation, withdrawal of the rejection of Claim 1 based on Madoff is proper in the present case.

Claims 2-3 are also patentable over Madoff, both for their dependence on allowable Claim 1 and for the additional subject matter they recite. Accordingly, withdrawal of the rejection of Claims 1-3 under 35 U.S.C. §102(e) is requested.

Claims 4-7 Are Patentable Over Streamer

Claim 4 is directed to a method of facilitating trading that includes "automatically... notifying a selected party of a new contra-side best market price, wherein the selected party is a market participant participating in a market with other market participants" and "automatically... notifying the other market participants of the new contra-side best market price after a pre-determined time from when the select party was notified of the new contra-side best market price. Both of the claimed "notifying" elements are performed via a computer.

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As can be seen, Claim 4 corresponds to the activity set forth in Claim 1, except that Claim 4 is from the viewpoint of the market, whereas Claim 1 is from the viewpoint of a market participant.

The cited Streamer article merely discloses the existence of a conventional real-time streaming stock quote service that allegedly makes quotes available to all users at the same time. See, e.g., lines 3-5 of the first paragraph in which the article states "Streamer is the first free real-time streaming stock quote service made available by a brokerage firm to *anyone with an Internet connection.*" (Emphasis added). Streamer further states, in paragraph 2, that "[s]treaming quotes are real-time quotes that are updated automatically." What speaks volumes is what Streamer does not disclose. Streamer does not disclose any mechanism or service in which a particular market participant is selected and provided a different quality of market data service than the other market participants in the market. Specifically, Streamer fails to teach or suggest the element of "notifying other market participants of [a] new contra-side best market price after a pre-determined time from when the selected party was notified of the new contra-side best market price," as required by Claim 4.

Should the Patent Office continue to maintain the rejection of Claim 4 based on Streamer, applicant requires that the Office point out with particularity which aspects of the Streamer article disclose (1) automatically notifying a *selected* party of a new contra-side best market price, wherein the selected party is a market participant participating in a market with other market participants; (2) a predetermined time from when the selected party was notified of the new contra-side best market price; (3) automatically notifying the other market participants of the new contra-side best market price *after* the predetermined time from when the selected party was notified of the new contra-side best market price.

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As with Claims 1-3, the Office Action provided little to no guidance regarding the application of Streamer to Claims 4-7. The Office Action rejected the claims by merely restating the claim language and generally directing the applicant to "page 1 and 2" of the article (of which the second page only includes copyright data and web page search and navigation links that are not relevant to the claims). The Office Action (page 5) asserts "[i]t is inherently clear that the teachings of Streamer illustrates notifying other market participants of a new contra-side best market price after a predetermined time from when a selected party was notified of the new contra-side best market price," but applicant respectfully disagrees. Like Madoff, Streamer teaches no such thing. As with Claim 1 above, in the absence of evidence supporting a *prima facie* case of anticipation, withdrawal of the rejection of Claim 4 based on Streamer is proper.

Claims 5-7 are also patentable over Streamer, both for their dependence on allowable Claim 4 and for the additional subject matter they recite. Accordingly, withdrawal of the rejection of Claims 4-7 under 35 U.S.C. §102(a) is requested.

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CONCLUSION

Upon careful review of the cited Madoff and Streamer references, it is abundantly clear that the disclosures of Madoff and Streamer are defective and do not support a *prima facie* case of anticipation of Claims 1-7. In view of the above, the rejection of Claims 1-7 should be withdrawn and the claims allowed at an early date. Should the Examiner identify any remaining issues needing resolution prior to allowance, the Examiner is invited to contact the undersigned counsel by telephone to resolve the remaining issues.

Respectfully submitted,

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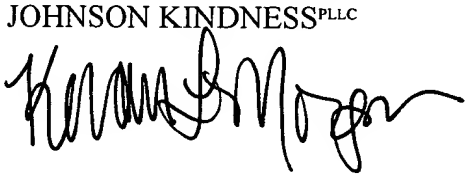

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